

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

Investigation by the Department of Telecommunications
and Energy on its own motion, pursuant to G.L. c. 159,
§ 105 and G.L. c. 164, § 76, to investigate increasing the
penetration rate for discounted electric, gas and telephone
service.

D.T.E. 01-106

COMMENTS OF VERIZON MASSACHUSETTS

Verizon Massachusetts (“Verizon MA”) hereby responds to the Hearing Officer’s Request for Comments dated October 31, 2002, regarding the working groups’ recommendations to increase the penetration rates for discounted electric, gas and telephone services in Massachusetts.

Under the working group’s recommendation, the Department of Transitional Assistance (the “DTA”) and the Division of Medical Assistance (the “DMA”) would implement a “check box” for new applicants authorizing the release of their eligibility information to utilities for discounted rates. This would enable utilities to obtain eligibility information directly from the DTA and DMA for verification purposes for those customers who contact the utility to request participation in the discounted rate program. While this administrative change may not be necessary since Verizon MA already includes a “check box” on its own application form, Verizon MA would not object to the DTA’s and DMA’s use of a similar “check box.”

Regarding the alternative method raised by the Hearing Officer’s Request for Comments, Verizon MA does not support an approach that would require new applicants of DTA or DMA-sponsored programs to authorize the release of eligibility information to

utilities as a condition of qualifying for public welfare benefits. This is unfair and unreasonable because it would deny new applicants public welfare benefits - which they are otherwise entitled to receive - merely because they choose not to allow the release of eligibility information for discounted utility rate programs.

Finally, Verizon MA is unable to evaluate the potential costs and benefits to establish a centralized entity to gather personal information from various state agencies for determining customer eligibility for discounted utility rate programs. This suggestion also raises serious privacy concerns relating to the public welfare agencies' obligation to maintain the confidentiality of customer (client) information under Massachusetts law.

ARGUMENT

A. The Use of a “Check Box” and Other Alternative Means of Authorizing the Release of Eligibility Information for Discounted Programs (Hearing Officer Question No. 1)

The working group recommends the use of a check box for new applicants to the DTA and the DMA to authorize the release of eligibility information to utilities. *Request for Comments*, at 1. The Hearing Officer also asks for comments on an alternative proposal that would require new applicants to authorize the release of eligibility information as a condition of applying for public benefit programs.

Should the DTA and DMA agree to include such a “check box” on their applications, this may facilitate the verification of client information for those customers who seek enrollment in available discounted rate programs, such as Verizon MA’s LifeLine and Link-Up programs. Under the current process, Verizon MA verifies customer eligibility at the time an application for LifeLine or Link-Up assistance is submitted and on an annual basis. *See* Verizon MA’s Comments, at 6 (dated January 24, 2002). While the specific process may vary among agencies, Verizon MA, for the most

part, depends on the customer providing the Company with written permission to obtain relevant information from the specific agency (*e.g.*, the DTA or the DMA).

For example, when a new or existing telephone subscriber indicates that he or she receives benefits from the DTA, Verizon MA will send an application form to that customer. The application form contains authorization for Verizon MA to obtain eligibility verification from the DTA. *See* Verizon MA's Comments, at Exhibit I (dated January 24, 2002). Upon return of that application, Verizon MA verifies the eligibility of the customer with the DTA (via his or her social security number) to ensure that the applicant is receiving benefits from the specified program before enrolling the customer in the LifeLine and/or Link-Up program. Once the DTA sends Verizon MA written verification of the type of DTA benefit received, Verizon MA enrolls the customer in the LifeLine and/or Link-Up program.¹

The working group's recommendation for the use of a "check box" on the DTA's and the DMA's applications would obviate the need for Verizon MA to request written authorization from the customer on the Company's application form for the release of eligibility information. Instead, Verizon MA would deal directly with the DTA (or other agency) once a customer requests to participate in the LifeLine or Link-Up programs.

¹ Before the DMA assumed responsibility for MassHealth (formerly Medicaid) several years ago, the DTA was responsible for the LifeLine and Link-Up verification process for MassHealth and other DTA-administered programs. Because the DMA has not yet decided to become actively involved in the initial eligibility verification process for LifeLine and Link-Up assistance, Verizon MA determines the eligibility of subscribers based on receipt of appropriate documentation from the customer. In particular, when an application is received identifying MassHealth as the *only* qualifying public assistance program, Verizon MA sends the customer a letter requesting additional information confirming his current receipt of MassHealth benefits. Upon receipt of the requisite documentation, the applicant is deemed eligible for LifeLine and/or Link-Up. *See* Verizon MA's Comments, at 6-7 (dated January 24, 2002).

The DTA or the DMA would share eligibility information with Verizon MA based on the customer's prior authorization to that agency to release such information.²

By eliminating the interim step of requiring a release of relevant documentation from customers on Verizon MA's application form, the "check box" approach would facilitate the confirmation and enrollment process for discounted programs. Conversely, that approach would also enable the DTA and the DMA to release information to Verizon MA and other participating utilities verifying those customers who no longer receive benefits from a DTA or DMA-sponsored program. Providing annual subscriber verification would ensure that customers who are no longer eligible for the discounted programs do not continue to receive the reduced rates.

For example, under current procedures, the DTA reviews annually Verizon MA's list of the social security numbers of all LifeLine recipients to verify whether current LifeLine subscribers continue to qualify for the discounted program based on their receipt of DTA-related benefits. *See* Verizon MA's Comments, at 8 (dated January 24, 2002). Customers whom the DTA identifies as a "closed" account, *i.e.*, no longer receiving DTA-administered benefits, receive a letter from Verizon MA indicating that their receipt of the LifeLine discount will be discontinued unless they notify the Company that there was an error by DTA or that they would qualify for LifeLine under another income-related assistance program (*e.g.*, fuel assistance). *Id.* Absent receipt of such notification from the subscriber with the necessary eligibility information within the timeframe

² This assumes that the DTA and the DMA will establish a database or other means of tracking those customers who have "checked" the box permitting release of their eligibility information to the relevant carriers to qualify for their discounted rate programs. In addition to the check box for release of eligibility information, the DTA's and DMA's application should also request that customers indicate their telephone service provider (*e.g.*, Verizon or some other carrier). This would minimize confusion and privacy concerns in the event a customer subscribes to a carrier other than Verizon.

specified in Verizon MA's letter (*i.e.*, generally several weeks), Verizon MA removes the customer from the LifeLine program. The DMA, which currently provides no annual verification of MassHealth recipients, should be required to adopt a similar process so that ineligible customers do not remain on the discounted rate programs.³ *Id.* at 9.

The Hearing Officer also seeks comments on an alternative to the "check box" proposal that would impose on customers a requirement to authorize release of their eligibility information as a condition of qualifying for a DTA or DMA-sponsored benefit. Not only does the Department have no authority to establish that alternative method, but it would also be unreasonable and unfair to customers to tie inextricably such programs in this manner.

Clearly, it is the customer's prerogative to decline to participate in a discounted utility rate program, for whatever reason. Customers should not be forced to forfeit their public welfare benefits (for which they would otherwise qualify) by merely choosing not to subscribe to the LifeLine program or other comparable utility plan. Accordingly, this is not an appropriate means of obtaining customer authorization for the DTA and the DMA to disclose the requisite eligibility information to the participating utilities for their discounted rate programs.

³ Alternatively, the DTA and DMA could establish an annual verification process whereby they provide Verizon with annual lists of *former* benefit recipients who either are no longer eligible to receive benefits or did not reapply for benefits. *See* Verizon MA's Comments, at 9 (dated January 24, 2002). Upon receipt of those lists, Verizon MA would then remove those customers from the LifeLine assistance program, unless they can demonstrate that they would qualify for assistance based on receiving some other type of low-income public assistance.

B. The Potential Costs and Benefits of Implementing a Centralized Entity for Gathering Eligibility Information for Discounted Programs (Hearing Officer Question No. 2)

The Hearing Officer also seeks comments on the potential costs and benefits of establishing a central entity to gather relevant information from Community Action Programs/grantees and government agencies (*e.g.*, the DTA, the DMA, etc.) on eligible customers for the discounted rates and share this information with utilities. While Verizon MA cannot quantify the additional administrative expenses involved on an initial and ongoing basis, the added layer of bureaucracy would certainly increase the overall costs.

Likewise, the establishment of a central entity responsible for developing a common database containing information relating to recipients of public assistance programs would raise legitimate concerns regarding client confidentiality - and may be in violation of Massachusetts laws requiring the DTA and other agencies to protect such information, absent an express customer release. *See* Verizon MA's Comments, at 14-16 (dated January 24, 2002). Thus, Verizon MA can see no value-added benefit to the creation of a centralized entity for this purpose. Indeed, if the DTA and the DMA implemented the "check box" approach, the "central entity" proposal would be superfluous.

CONCLUSION

For the foregoing reasons, the Department should only consider adopting the working groups' recommendation for a "check box" approach, with modifications. The release of authorized information would only be used to confirm eligibility for customers who requested to participate in the discounted utility rate programs. Customers should

not be required to authorize release of that information as a condition of receiving other public assistance for which they would otherwise qualify.

Finally, the Department should not pursue the suggestion to establish a central entity with a common database for administering these programs. This would not only be administratively costly and raise serious privacy-related issues, but also is totally unnecessary in light of the “check box” approach.

Respectfully submitted,

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